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AUTHOR	Huddleston, Rich
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ABSTRACT

Noting that child poverty has been a persistent problem for Arkansas children despite improvements in the economy, this Kids Count special report focuses on child poverty in Arkansas. The report examines how child poverty is measured and notes the limitation of existing poverty data; it also discusses the causes and consequences of poverty and highlights the family risk index to illustrate how poverty interacts with other characteristics to produce risk. The report further summarizes findings of national studies on the consequences of child poverty, including education and health outcomes, neighborhood safety, and crime. Factors contributing to child poverty are examined, including strength of the state and local economies and parents' low education and inadequate job skills. The report notes that each year that an Arkansas child lives in poverty costs that child $8,988 in lost lifetime earnings. Characteristics of poor families are described, including adults' employment status, family structure, race, educational level, parent age, geographic location, and type of employment. County differences in child poverty rates are also identified. The report then examines the impact of safety net programs such as social insurance, cash assistance, and food stamps on child poverty, and discusses the impact of welfare reform. The report concludes with a consideration of new trends in public policy. Child poverty data by county for 1989, 1993, and 1995 are appended. (KB)

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CHILDREN IN POVERTY

A Citizen's Guide

An Arkansas Kids Count Special Report

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By Rich Huddleston, Research Director
Arkansas Advocates for Children & Families
103 E. 7th St., Suite 931
Little Rock, AR 72201
501/371-9678
www.aradvocates.org

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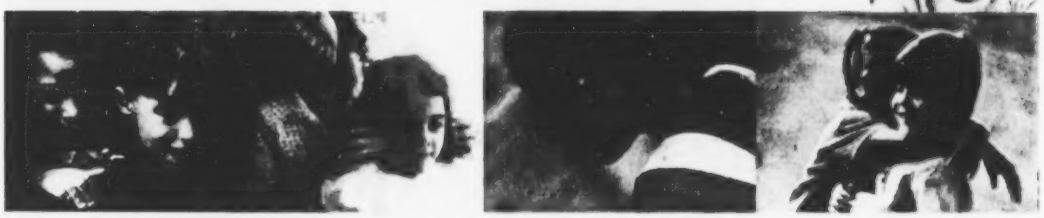
A Citizen's Guide



A Special Report by Arkansas Kids Count

WHY SHOULD WE CARE ABOUT CHILD POVERTY?

Many of the most controversial issues facing the public and policy-makers today -- health care coverage for the uninsured, illiteracy, crime and delinquency, lack of child care, hunger, inadequate housing, and decisions about how to spend public tax dollars — are rooted in the problem of poverty.

Families are generally considered to be poor if their incomes are insufficient to pay for all of their basic daily living needs, including food, housing, clothing and health care. When these basic needs are not met, a child's well-being is put at risk. Child poverty is associated with numerous negative outcomes for children, adversely affecting their physical and emotional health, daily living conditions, family stability, educational achievement, overall child well-being, and future economic attainment.

Such outcomes, of course, are not limited to poor families, nor is poverty the only factor that affects child well-being.[1] Other factors also impact child well-being, such as teen pregnancy, the presence of two parents in the household, the lack of support from an extended family network, the lack of a nurturing environment, the level of parental involvement/interaction with children, parental work effort, and community and governmental support for early childhood education programs. Geographic barriers and community obstacles also affect a family's ability to raise healthy children. For instance, a family living in a high crime area may be unable to allow their children play outside for fear of stray bullets or other violent acts; and their neighborhoods are often void of community parks with safe and suitable playground equipment. Common community services, such as grocery stores and drug stores, may have migrated to more populated and prosperous areas, thus leaving families to face added obstacles in managing day-to-day living. While it isn't always easy to distinguish poverty's impacts on child well-being from other factors, most researchers agree that living in poverty puts children at significantly greater risk.

asier to build strong
ren than to repair broken
— Fredrick Douglas

In the short term, poor children and their families suffer the most from the negative outcomes associated with child poverty. In the long-term, however, everyone pays the costs of child poverty. Businesses pay for child poverty through a less-educated workforce, lower productivity, absenteeism, employee turnover, and higher training and insurance costs. Businesses, in turn, pass these costs on to consumers in the form of higher prices or lower quality goods and services. Ultimately, society and taxpayers pay for the costs of child poverty through increased public and private spending on health care, crime, social services and safety net programs.

Although child poverty's importance as a public policy issue would appear to be obvious, it is a complicated issue that is often not well-understood by the public, media or policy-makers. Misperceptions about the causes and consequences of child poverty abound; many have grown weary of talking about the problem; and political rhetoric often clouds what society should do about it. It is, unfortunately, a problem that we have yet to adequately address, and it is not likely to go away anytime soon.

The purpose of this report is to shed some light on what child poverty really means, how it is measured, limitations of existing poverty data, the causes and consequences of poverty, who is affected by it, how much it costs society, and trends in public policy. This report is a primer and guide to the problem of child poverty in Arkansas. Hopefully, you will come away with a renewed respect about why child poverty deserves continued attention.

WHAT IS POVERTY?

Families are generally considered to be poor if their incomes are insufficient to pay for all of a family's basic daily living needs. Historically, the Federal Poverty Line has been used, both implicitly and explicitly, as the standard of what it means to be poor in America. It is used to distinguish families that have the resources necessary for a basic standard-of-living from those that do not.

The Federal Poverty Line was originally developed by Mollie Orshansky, an economist with the Social Security Administration, in the early 1960s.[2] She developed a set of poverty thresholds that varied by family size and type of family. The original poverty line was based on the cost of a minimum adequate diet (the Thrifty Food Plan, the least expensive of four food plans developed by USDA in 1961), multiplied by a factor of 3 to allow for other living expenses. The 1963 threshold for a family of two adults and two children was about $3,100.

A family's poverty status is determined by comparing its annual cash income before taxes against the appropriate threshold for that family. The poverty thresholds, updated annually for inflation, are issued by the Census Bureau and used for calculating the number of people in poverty at the state and national levels. The current thresholds (1999) for a family with related children are as follows:[3]

Family of 2 (1 adult w/1 child)	$11,483
Family of 3 (2 adults w/1 child)	$13,410
Family of 3 (1 adult w/2 children)	$13,423
Family of 4 (2 adults w/2 children)	$16,895.

These are all our children ... will all profit by, or pay f... whatever they become."

— James Baldwin

"Poverty thresholds" are used to count the number of people in poverty each year and appear in most of the special reports issued that contain poverty estimates. Poverty thresholds should not be confused with the now more-widely-known "poverty guidelines." Unlike the thresholds, the guidelines are used for determining program eligibility for a wide range of federal and state programs. The guidelines, issued by the Department of Health and Human Services (HHS), are a simplified, administrative version of the poverty thresholds. The current poverty guidelines (2000) are as follows:[4]

Family of 2	$11,250
Family of 3	$14,150
Family of 4	$17,050.

Although the thresholds and guidelines are used for two very different purposes, they are nearly identical and do not vary by more than a few hundred dollars.

It is important to note that although the Federal Poverty Line is generally accepted as the official measure of poverty across the country, it has been widely criticized as being an inadequate measure of family well-being. Various reports, including Arkansas Advocates for Children & Families' *Making It Day-to-Day: A New Family Income Standard*, have recommended different measures that more accurately reflect the daily living needs of families.[5]

CHILD POVERTY & WELL-BEING: WHAT'S THE CONNECTION

The connection between child poverty and well-being is especially strong in Arkansas. Arkansas has one of the highest child poverty rates in the country (45th in 1996) and ranks among the worst states on a number of indicators of child well-being.[6] Arkansas, for example, has high rates of infant mortality, child deaths, violent teen deaths and teen births. Many of these problems have their roots in child poverty.[7]

The Family Risk Index

Poverty is only one of the risk factors associated with negative outcomes for children. Poverty is also highly related to other risk factors. "When these risk factors are combined, they tend to be mutually reinforcing, creating an environment of risk that reduces the chances for the long-term healthy development of children."[8] A recent report by the Annie E. Casey Foundation concluded that children living in families with four or more of the following characteristics are considered at "high risk" of suffering negative outcomes:[9]

Sample of Key Indicators of the Well-Being of Arkansas' Children

	AR	U.S.	RANK
Child poverty rate (under age 18)	25.8	20.5	45th
% of low birthweight babies	8.5	7.4	40th
Infant mortality rate (deaths per 1,000 live births)	9.3	7.3	48th
Child death rate (deaths per 100,000 children ages 1-14)	33	26	42nd
Rate of teen deaths by accident, homicide or suicide (deaths per 100,000 teens ages 15-19)	94	62	48th
Teen birth rate (births per 1,000 females ages 15-17)	45	34	44th
% of teens not attending school and not working	11	9	39th
% of 4th-grade students who scored below basic reading level in 1998	45	39	N/A
% of 8th-grade students who scored below basic reading level in 1998	32	28	N/A

Source: Child poverty rate is from the U.S. Census Bureau Small Area Income and Poverty Estimates Program. Unless otherwise noted, all other data is for 1996 and from the 1999 Kids Count Data Book, Annie E. Casey Foundation.

- ★ Child is not living with two parents;
- ★ Household head is a high school dropout;
- ★ Family income is below the poverty line;
- ★ Child is living with parent(s) who do not have steady full-time employment;
- ★ Family is receiving welfare benefits; and
- ★ Child does not have health insurance.

The report notes that "growing up with four or more of the family risk factors ... is cause for exceptional alarm and merits special attention and intervention."[10] Based on this definition, the report found that *16 percent of Arkansas' children are living in high-risk families.* Nationally, only 14 percent of children live in high-risk families.

The high percentage of children living in at-risk families threatens not only the well-being of these children, but also the state's future. As part of America's Promise, the national campaign to strengthen today's young people, Arkansas' Promise has begun its own crusade that promises each child:

- ★ An ongoing relationship with a caring adult — parents, mentor, tutor or coach;
- ★ A safe place with structured activities during non-school hours;
- ★ A healthy start;
- ★ A marketable skill through effective education; and
- ★ An opportunity to give back through community service.

According to a recent report, "Arkansas Promise has become an umbrella under which numerous statewide organizations are redefining their mission to coincide with these basic promises."[11]

THE CONSEQUENCES OF CHILD POVERTY

A Summary of National Studies[12]

National studies show that child poverty is associated with a wide range of negative outcomes for children. Children in poor families are at greater risk of suffering at school and lacking in educational achievement; of poorer health outcomes; of crime and living in unsafe neighborhoods; and of living in unsafe housing.

Children Suffer at School and Educational Achievement

	% of Poor Families	% of Nonpoor Families	Ratio of Poor to Nonpoor
SCHOOL SAFETY & DISCIPLINE			
% of students grades 3-12			
Student has repeated grades	31.3	15.4	2 times more likely
Student has been expelled at sometime	3.4	1.0	3.4 times more likely
% of students grades 6-12			
Student thinks he will attend school after high school	90.1	96.1	94% as likely
Student thinks he will graduate from4-year college	82.7	89.7	92% as likely
School has metal detectors	43.3	28.8	1.5 times more likely
School has security guard	11.5	4.1	2.8 times more likely
SCHOOL READINESS			
% of children ages 5-7			
Child has fewer than 10 books	27.2	5.4	5 times more likely
Child watches more than 3 hours of TV per day	49.4	32.9	1.5 times more likely
Child moved 3 or more times by 5th birthday	28.0	19.5	1.4 times more likely
% of children under age 15			
Children who use a computer in school	54.8	63.3	only 86% as likely
Children who use a computer at home	3.2	23.0	only 14% as likely
HIGH SCHOOL & BEYOND			
% of students who ...			
Attend either a 2- or 4-year college	48.3	69.6	only 69% as likely
Complete requirements for a bachelor's degree	16.9	32.6	only 52% as likely

Source: Federman, M., et al. (1996). "What Does It Mean to be Poor in America?" *Monthly Labor Review*, 119, 3-17, citing data from the 1993 Current Population Survey Education Supplement and the 1993 National Education Supplement.

Children in Poor Families Are at Greater Risk of Poorer Health Outcomes

	% of Poor Families	% of Nonpoor Families	Ratio of Poor to Nonpoor
# of infant deaths per 1,000 live births[a]	13.5	8.3	1.6 times more likely
Low birthweight[a]	10.2	5.5	1.8 times more likely
Preterm (gestation <37 weeks)[a]	13.0	7.3	1.9 times more likely
Receipt of inadequate prenatal care[a]	43.1	15.6	2.8 times more likely
Children in excellent health[a]	37.4	55.2	only 70% as likely
Children in fair to poor health[b]	11.7	6.5	1.8 times more likely
Lead poisoning[b]	16.3	4.7	3.5 times more likely
Stunted growth (in the 5th percentile for height for ages 2-17)[b]	10.0	5.0	2 times more likely
# of short hospital stays in past year per 1,000 children[b]	61.3	41.2	1.9 times more likely

Sources: a. Federman, M., et al. (1996). "What Does It Mean to be Poor in America?" *Monthly Labor Review*, 119, 3-17, citing data from the 1989-1990 National Maternal and Infant Health Survey.
b. Brooks-Gunn, Jeanne, and Greg J. Duncan. (1997) "The Effects of Poverty on Children." The Future of Children, 7(2), 55-71, citing data from various sources.

Poor Families Are at Greater Risk of Crime and Unsafe Neighborhoods

	% of Poor Families	% of Nonpoor Families	Ratio of Poor to Nonpoor
Victim of violent crimes per 1,000 pop.	53.7	26.2	2.1 times more likely
Victim of household crimes per 1,000 pop.	207.1	143.3	1.4 times more likely
Neighborhood safe from crime	78.1	93.0	Only 84% as likely
Afraid to go out	19.5	8.7	2.2 times more likely
Neighborhood so bad, one would like to move	18.4	6.5	2.8 times more likely
Community services bad enough that one would like to move	15.1	5.5	2.7 times more likely

Source: Federman, M., et al. (1996). "What Does It Mean to be Poor in America?" *Monthly Labor Review*, 119, 3-17, citing data from the National Crime Victimization Survey and the 1992 Survey of Income and Program Participation.

Poor Families Are at Greater Risk if Living in Unsatisfactory Housing

	% of Poor Families	% of Nonpoor Families	Ratio of Poor to Nonpoor
More than 1 person per room (overcrowding)	19.2	4.2	4.6 times more likely
Moderate upkeep problems	11.3	3.3	3.4 times more likely
Severe upkeep problems	3.8	1.7	2.2 times more likely
Condition in home unsatisfactory enough that one would like to move	26.6	9.5	2.8 times more likely
During past 12 months, could not pay the full rent/mortgage	25.9	7.5	3.4 times more likely
Was evicted for not paying rent/mortgage	2.1	0.4	5.2 times more likely

Source: Federman, M., et al. (1996). "What Does It Mean to be Poor in America?" *Monthly Labor Review*, 119, 3-17, citing data from the 1993 American Housing Survey.

WHY ARE CHILDREN POOR?

Put simply, childhood poverty exits because some children live with poor parents or adult care givers. To understand why some children are poor, one must understand why their parents are poor. Several factors contribute to adult poverty:[13]

- ★ **Strength of the State and Local Economies** Generally speaking, poverty goes up when the economy is bad and decreases when the economy is good. Similarly, in areas where unemployment is high or the available jobs do not pay wages above the poverty level, poverty rates are higher.

- ★ **Low-Education and Inadequate Job Skills** Less-educated workers have been hurt by the economy in recent years. Although parental education levels have increased, structural changes in the economy, such as the increasing emphasis on technology, have adversely impacted workers who have lower levels of education and experience. Some analysts have argued that the U.S. economy is increasingly becoming composed of two types of workers: (1) high-skilled, better-educated workers with the technological skills needed for high-paying jobs; and (2) low-skilled workers earning wages at or only slightly above the Federal Poverty Line. Parental education is a powerful predictor of earnings and poverty rates.

- ★ **Declining Real Wages and Income Inequality** Historically, unemployment has had a major impact on the poverty rate. In recent times, however, lower unemployment has not always led to higher real wages for lower income groups. When the wages earned by some low-income families do not keep pace with inflation, they are at risk of falling into poverty.

- ★ **Single-Parent Families** Higher rates of divorce and out-of-wedlock births have increased the number of single-parent families. Single-parent families are more likely to be poor than two-parent families because they often have only one income (unlike two-parent families in which both parents work) and tend to be headed by women who earn less pay than men for the same work.

- ★ **Age of the Parent** Children who live with younger parents are more likely to be poor because young adults typically do not reach their peak earnings capacity until age 39. Young parents under age 25 are especially vulnerable to poverty.

- ★ **Immigration** Higher immigration and birth rates for immigrant children have contributed to higher poverty rates. Immigrant families are more likely to be poor because of language barriers, lower educational levels, and their willingness to accept seasonal or migrant labor jobs. Recent population increases in these groups have helped keep poverty rates high.

The Economic Cost of Poverty in Arkansas: Lost Wages

To estimate the economic costs of poverty, Arkansas Advocates for Children & Families used a methodology developed for the Children's Defense Fund by a national panel of leading economists.

We estimate that for *each year* that an Arkansas child lives in poverty, it will cost that child $8,988 in lost lifetime earnings.[14] Conservatively, we estimate that for *each year* Arkansas' current population of poor children (173,406 children) live in poverty, it will cost them a combined $1.56 billion in lost lifetime wages. By extension, this represents a net loss to the state economy of $1.56 billion in goods and services that will not be produced because of child poverty. The reason? On average, poor children complete fewer years of schooling, have lower educational achievement, and work in jobs that tend to pay lower wages.

These values increase with each additional year a child spends in poverty. Thus, while a child who lives only one year in poverty might lose $8,988 in lost lifetime earnings, a child who spends five years in poverty would lose $44,940 in earnings.

The amount of lost lifetime wages per child depends on the number of years spent in poverty as a child. How many years do children live in poverty as children? The estimates vary from study to study. One longitudinal study that has followed children since 1968 found that about two-thirds of children who have experienced poverty spent fewer than five years in poverty as children. For 15 percent of children who experienced poverty, however, childhood poverty lasted 10 years or more.[15]

POVERTY: A PERSISTENT PROBLEM FOR ARKANSAS CHILDREN

The most recent estimates of child poverty in Arkansas are for 1996. According to estimates from the U.S. Census Bureau, more than 1 in 4 of Arkansas children under age 18 live in poverty. The incidence of poverty among younger children is even higher as nearly 1 in 3 of children under age 5 live in poverty.

Child poverty continues to be a chronic problem for Arkansas families. Despite the strong state economy during the 1990s, the incidence of poverty among Arkansas' children has not changed much since 1989. In fact, according to recently-released data (poverty estimates are now available for 1993, 1995 and 1996), poverty appears to have worsened slightly for some groups of Arkansas children. The poverty rate for children under age 5, for example, has seen a significant increase (from 27.6% in 1989 to 31.2% in 1996).

Arkansans in Poverty

	1989 # (%)	1993 # (%)	1995 # (%)	1996 # (%)
Under age 5	46,914 (27.6)	55,805 (31.3)	60,099 (32.8)	56,485 (31.2)
Ages 5-17	100,652 (22.3)	109,670 (23.4)	119,221 (24.6)	111,181 (23.2)
Under age 18	153,544 (24.4)	170,943 (26.0)	182,607 (27.0)	173,406 (25.8)
All ages	417,155 (17.9)	461,948 (18.9)	455,776 (18.2)	442,131 (17.6)

Source: Small Area Income and Poverty Estimates Program, U.S. Bureau of the Census.

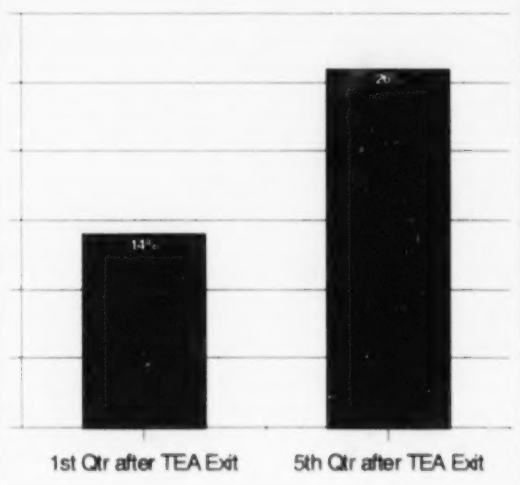
Impact of Welfare Reform and Economic Growth

It is too early to know what impact welfare reform and the current economic expansion will have on child poverty in Arkansas. Arkansas did not implement welfare reform until July 1997, and child poverty estimates for the state are not yet available for 1997 and 1998. There is some limited data to suggest, however, that Arkansas' child poverty rate may be lower in 1997 and 1998.

Nationally, the under-18 child poverty rate has steadily declined in recent years, decreasing from 21.8 percent in 1994 to 18.9 percent in 1998.[16] Two other recent national studies found that while the economic expansion has decreased the overall number of children in poverty, recent reductions in safety net programs, such as cash assistance and Food Stamps, have made the poorest of the poor (also known as the extreme poor) worse off.[17]

Recent data for Arkansas suggests that economic expansion has also benefited Arkansas' poorest families. According to a recent report from the Center on Budget and Policy Priorities, the average income of the state's poorest families (the 20% of families with the lowest incomes) increased at a healthy clip of 18.9 percent from 1989 to 1998 (adjusted for inflation).[18] In contrast, income growth for the nation's poorest families was less than 1 percent over the same period.

Of Former TEA Recipients Who Are Working, % Earning Above the Poverty Line



Source: Berkeley Planning Associates, Evaluation of Arkansas TEA Program, 4th Biannual Report.

Findings from a recent evaluation of the state's welfare reform program also suggest Arkansas may be moving, albeit only slowly, in the right direction. According to the study, *only 50 percent of families leaving the state's welfare reform program were employed six months later.*[19] Of those employed, only 14 percent earned wages above the Federal Poverty Line in their first quarter after leaving then Transitional Employment Assistance (TEA) program.

Family earnings, however, do improve over time after leaving TEA, but only at a very modest pace. The incomes of former TEA families increased by an average of 13 percent between the first and fifth quarters (16 months) of employment. The percentage of families earning wages above the poverty line also increased from only 14 percent in the first quarter to 26 percent in the fifth quarter after leaving TEA.

WHO ARE THE STATE'S POOR FAMILIES?

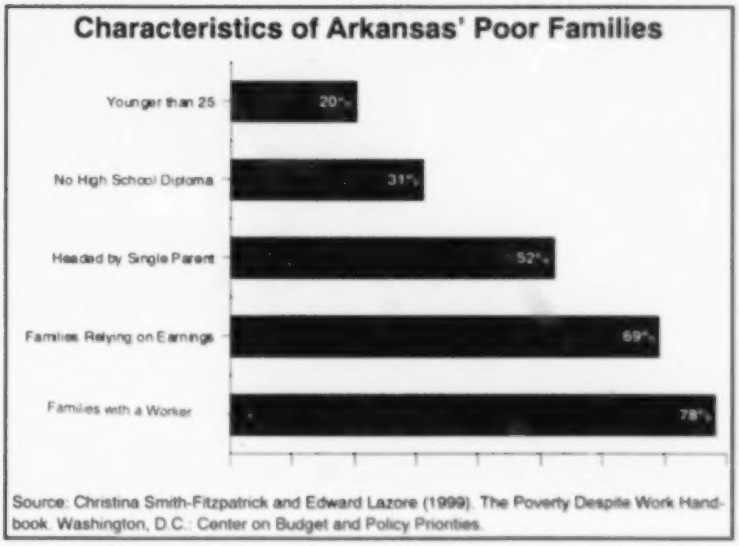
Contrary to popular myths and stereotypes, any child in any family can be poor. Poverty is not confined to families with single mothers, those on welfare, those who refuse to work, or the uneducated. Many families who are poor hold jobs, work hard to support their children, have completed high school or attended college, or live in two-parent families.[20]

★ **Many Poor Families Have Parents Who Are Ill, Disabled or Retired** About 1 in 10 (11%) of the state's poor families with children have parents who are ill, disabled or retired.

★ **Most Poor Families Have Able-bodied Parents** Almost 9 in 10 (89%) of the state's poor families with children have parents who not ill, disabled or retired, and are able to work.

★ **Most Poor Families Who Are Able to Work, Do Work** Of the families who have able-bodied parents, 78 percent contain a worker; 66 percent of those able to work do so for more than 13 weeks out of the year. Arkansas' poor families work an average of 41 weeks during the year The percent of poor families with able-bodied parents who do work is higher in Arkansas than in the U.S. as whole — 78 percent to 70 percent nationally.

★ **Poor Families Rely on Earnings, Not Public Assistance** Most of Arkansas' poor families with children who have able-bodied parents rely on earnings, not public assistance, for the majority of their income (69%). In contrast, only 57 percent of similar families nationally rely on earnings for most of their income.



Source: Christina Smith-Fitzpatrick and Edward Lazore (1999). The Poverty Despite Work Handbook. Washington, D.C.: Center on Budget and Policy Priorities.

★ **Family Type** Contrary to popular belief, many of Arkansas' low-income, working families are headed by married couples (43%). A slight majority of families are headed by females, while only 5 percent are male-headed families.

★ **Race** The overwhelming majority of working families who are poor in Arkansas are white (61%). Over a third of working poor families are black (34%), while a small proportion (4%) are Hispanic or of another race. Given the large numbers of Hispanics migrating to Arkansas (and who are expected to migrate to the state in the future), Hispanics are expected to comprise a greater share of working poor families in the future.

★ **Education** Families whose parents do not have at least a high school diploma comprise 31 percent of working poor families with children, while 47 percent have a high school diploma or GED. Families whose parents completed some college comprise only 20 percent of working poor families, while families whose parents had a college degree or more comprise only 2 percent of working poor families with children.

★ **Age of Family Head** One in 5 of the state's working poor families with children have a head of household younger than age 25. Most family heads in working poor families are between ages 25-34 (45%). More than 1 in 3 of working poor families have a head of household that is age 35 or older. While the rate of poverty does decline as families get older — most wage earners do not earn their peak earning potential until after age 34 — the high percentage of poor families that are found in this age group supports other research that has found that childhood poverty can be a long-term, persistent problem, even for working families.

★ **Urban versus Rural** Working poor families are disproportionately represented in the state's rural areas. Sixty-four percent of working poor families live in rural areas, while

only 46 percent of the state's overall population do so. Working poor families, however, also live in urban areas. Thirty-six percent of the state's working poor population lives in urban areas, compared to 54 percent of the overall population.

★ **Type of Employment** Similarly, working poor families are employed in all economic sectors. More than 1 in 3 (35%) of working families who are poor are employed in service industries, a work sector that makes up 22 percent of all jobs. Similarly, retail trade comprises 25 percent of the jobs for working families, compared to only 20 percent for the entire population. Manufacturing comprises only 20 percent of the jobs for the working poor, compared to 24 percent for the overall workforce. Other types of employment for working families include construction (4%), agriculture (4%), government (3%) and other industries (8%).

DOES POVERTY VARY FROM COUNTY TO COUNTY?

As one might expect, child poverty rates can and do vary significantly among Arkansas counties. Benton County, for example, has the lowest child poverty rate at 13.9 percent, while Phillips County has the highest rate at almost 59 percent. Data from the U.S. Census Bureau suggests that child poverty remains a significant problem for many Arkansas counties.[21] In 1995, six counties had poverty rates over 45 percent.

It is important to note the distinction between counties having a high incidence of poverty in their populations (as reflected in a high poverty rate) and counties having a large number of children living in poverty. Some counties have a low poverty rate, but a high number of children living in poverty, and vice versa. Consider the case of Pulaski County. Pulaski is, by far, the state's most populous county and has the greatest number of children living in poverty (22,750), but it has a poverty rate (24%) that is below the state average (27%). Similarly, more populous counties, such as Washington and Sebastian, also have poverty rates below the state average (17.4% and 21.3%, respectively), but are among the highest counties in terms of the number of children living in poverty (6,029 and 6,050, respectively).

Child Poverty in Selected Arkansas Counties, 1995

Low Poverty (%)		High Poverty (%)		High Poverty Populations (#)	
Benton	(13.9)	Phillips	(58.5)	Pulaski	(22,750)
Faulkner	(14.1)	Lee	(57.9)	Jefferson	(8,941)
Saline	(14.6)	Chicot	(52.6)	Crittenden	(6,261)
Grant	(17.2)	St. Francis	(48.6)	Mississippi	(6,176)
Lonoke	(17.4)	Monroe	(48.3)	Washington	(6,029)
Washington	(17.4)	Woodruff	(47.8)	Sebastian	(6,050)

Source: U.S. Census Bureau Small Area Income and Poverty Estimates Program.

The distinction is very important for public policy. If the goal of state policy is to reduce the state's overall child poverty rate, it may be more effective for the state to focus its resources on counties having large numbers of children living in poverty, regardless of their child poverty rate. However, if the goal of state policy is to reduce the number of counties that have a high prevalence or incidence of poverty within their populations, the focus would be on counties with high poverty rates, which may or may not include counties having large numbers of children living in poverty. Both goals, while important, have different implications for public policy.

The two perspectives sometimes pose tough choices for child advocates. While child advocates always have to be mindful of the state's limited resources with which to fight poverty, it is Arkansas Advocates for Children & Families' belief that no child in the state should be poor or go hungry. This means that AACF must fight for every child, regardless of where they live in the state. At times, advocates are thrust into the role of fighting for every child who is poor, even when resources are limited. Consequently, the state sometimes has to adopt public policy that sacrifices efficiency for the sake of equity.

of Children in Poverty in Arkansas (%), 1995

Source: U.S. Census Bureau Small Area Income and Poverty Estimates Program.

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Where Do Estimates of Child Poverty Come From?

How do we know how many of Arkansas' children are poor and where does the data come from? The most widely used and accurate sources of state child poverty data come from two sources: (1) the census, conducted every 10 years (the last was in 1990); and (2) the annual Current Population Survey (CPS). Both are conducted by the U.S. Bureau of the Census. Each of these sources has their strengths and weaknesses.

The census is generally the most widely used source of state and local poverty data. It is generally considered the most reliable source of data on state and local poverty because of the sampling procedures used. The major shortcoming of the census is that it is conducted only once every 10 years, and therefore, becomes quickly outdated, especially in areas witnessing significant economic and socio-demographic changes. The next release of income data from decennial census should be in 2003.

The other primary source of state-level poverty data is the annual Current Population Survey. The major advantage of the CPS is that is conducted annually and can produce relatively current estimates. The CPS, however, does have two major limitations: (1) the sample size for all but the largest states is generally considered to be too unreliable to produce single-year child poverty estimates; and (2) the CPS is not designed to produce local estimates.

Over the years, several attempts have been made to use statistical procedures to correct the small sample sizes in state-level CPS data. The Annie E. Casey Foundation, an organization that has been a national leader and pioneer in efforts to promote greater use and development of child outcome indicators, has produced state child poverty estimates using multi-year, rolling averages of CPS data (i.e., CPS data for 1993-1997 might be averaged to produce an estimate for 1995). These estimates have appeared in the Foundation's Kids Count Data Book, an annual publication that is generally well-covered by state and national media.

Another limitation of the Current Population Survey is that it is not designed to produce local or county-level poverty estimates. In response to the lack of regular local poverty estimates, the U.S. Census Bureau has created a new program — the Small Area Income and Poverty Estimates (SAIPE) program — to develop new statistical methodologies for producing local poverty estimates. Their current methodology uses a combination of state-level CPS data, federal tax data, and administrative data to produce local estimates.

Because their methodology uses federal tax data and other sources, in addition to state-level data from the CPS, estimates from the SAIPE program are generally considered more reliable than those using CPS-only data. Recently, the SAIPE program committed to producing state-level child poverty estimates on an annual basis, and local estimates every two years. Consequently, many researchers, who in the past relied on CPS-only data, are considering switching to SAIPE poverty estimates for the future. The Annie E. Casey Foundation, for example, will use SAIPE poverty estimates for their Kids Count Data Book beginning this year.

Although the SAIPE estimates are the best local child poverty estimates currently available, they are not without their deficiencies. Arloc Sherman, a researcher with the Children's Defense Fund, recently noted that one problem with the SAIPE estimates is that they are based on a formula that includes Food Stamp usage.[22] The formula assumes, all other factor being equal, that a county with a small Food Stamp caseload has less poverty. This may or may not be true in states that have instituted bad policy changes limiting Food Stamp access to families needing assistance.

This aside, SAIPE estimates are currently the best regularly-updated poverty estimates at the local level. One option for the future may be the American Communities Survey (ACS). If funded by Congress as planned, county-level poverty estimates should be available beginning in 2002.

Although state and local poverty estimates are available from most state census data centers (such as the one at the University of Arkansas at Little Rock), poverty estimates are produced by the U.S. Census Bureau in Washington D.C. The responsibility for producing Arkansas' child poverty estimates rests solely with the U.S. Census Bureau, not with Arkansas-based researchers or the state data center. State and local estimates of child poverty may be found on the Census Bureau's Web site at http://www.census.gov.

IS POVERTY WORSE THAN WE THINK?

Child poverty is still a significant problem in many Arkansas counties. And, recent studies suggest that poverty may be worse than we think. The reason? The Federal Poverty Line has been widely criticized as an inadequate measure of poverty and what families really need to make it day to day.[23] Criticisms of the Federal Poverty Line include:

- does not take into account the cost of working and earning income, such as child care and transportation, when calculating the net income available to working families;
- disregards geographical differences in the cost of living, especially the cost of housing, in determining a family's financial needs;
- does not account for tax payments, such as payroll and income taxes, when measuring family income;
- has never been updated to account for the changing purchasing habits or basic needs of U.S. households. Food expenditures, for example, consumed one-third of family incomes in the 1950s, but now account for as little as one-seventh. Housing and other costs now consume a larger proportion of household expenditures than was true years ago;
- has never been updated to account for changes in basic needs of families. Changing behavior patterns and technology have also altered the definition of basic needs. Telephones, for example, are now considered to be a basic need;
- ignores differences in health insurance coverage and medical insurance needs in determining family income and consumption needs;
- excludes in-kind benefits (such as Food Stamps and housing assistance) when counting family income.

Because of these concerns and other concerns, many argue that the Federal Poverty Line no longer corresponds with what families require to meet their basic needs. This belief is supported by various public opinion polls, such as Gallup, which since 1966 have found that people perceive poverty to be at a standard higher than the official federal poverty threshold.[24]

A NEW ARKANSAS FAMILY INCOME STANDARD

A recent study by Arkansas Advocates for Children & Families found that the Federal Poverty Line is an inadequate standard of what it costs the state's families to adequately provide for the needs of their children.[25] That estimate, known as the Family Income Standard (FIS), suggests that Arkansas families require a level of economic resources that is much higher than current Federal Poverty Line. The FIS is almost twice the Federal Poverty Line, ranging from 167 percent to 189 percent of the poverty line, depending on family size. As of January 1999, the FIS ranges from $18,805 for a single-parent family with one child to $28,541 for a two-parent family with two children.

On an hourly basis, the FIS ranges from $8.90 (single parent with one child) to $13.51 (two parents with two children). The study found that minimum wage jobs at $5.15 per hour cannot meet the needs of a single mother with one child, much less meet the needs of a two-parent family with two children. Similarly, the state's median hourly wage for all workers, at $8.59 per hour, is not enough to meet the minimum needs of most families.

Many Working Families Have Low Incomes

Using the FIS (which is close to 200% of poverty) as a standard against which to measure the well-being of Arkansas families, it appears that more Arkansas families that cannot

meet their children's basic needs than suggested by federal poverty estimates:

- ★ According to recent data from the Current Population Survey, approximately 75,000 Arkansas families with children have incomes below the Federal Poverty Line.[26]
- ★ Another 53,000 families have incomes between 100 and 150 percent of the Federal Poverty Line, while 61,000 families have income between 150 and 200 percent of poverty.
- ★ All together, about 189,00 Arkansas families with children (over 50% of the state's families with children) have incomes below 200 percent of the Federal Poverty Line.

Arkansas FIS vs. the Federal Poverty Line, January 1999

	Fed. Poverty Line	FIS	$ Difference	% Difference	FIS as % of Fed. Pov. Line
1 adult with 1 child	$11,235	$18,805	$ 7,570	67.5	167.4
2 adults with 1 child	$13,120	$22,372	$ 9,252	70.5	170.5
1 adult with 2 children	$13,133	$24,833	$11,700	89.1	189.1
2 adults with 2 children	$16,530	$28,541	$12,011	72.7	172.7

Source: Arkansas Advocates for Children & Families. (1999) *Making it Day-to-Day: A New Family Income Standard for Arkansas.*

WORKING FAMILIES OFTEN CAN'T MEET BASIC NEEDS

According to a recent report from the U.S. Census Bureau, even if they have incomes above the Federal Poverty Line, many working families have trouble meeting a basic need at some point during the year.[27] This includes families who couldn't meet essential living expenses, couldn't pay a utility bill, couldn't pay rent or mortgage, needed to see a dentist but didn't go, needed to see the doctor but didn't go, had phone service cut off, had utilities shut off, were evicted, or couldn't get enough to eat. One in 5 of all households (20.2%) had difficulty meeting a basic need in 1995, while more than 1 in 10 (11%) had difficulty meeting two or more basic needs during the year.

% of Households Having Difficulty Meeting a Basic Need

Household Income Group	% Who Experiences 1 Difficulty	% Who Experienced More than 1 Difficulty
Poorest 20%	37.8	22.9
Second 20%	24.5	14.0
Middle 20%	18.4	9.1
Fourth 20%	11.3	4.4
Richest 20%	6.5	2.7
TOTAL	20.2	11.0

Source: Bauman, Kurt J. (1999). *Extended Measures of Well-Being: Meeting Basic Needs.* Report #P70-67. June. Washington, D.C.: U.S. Bureau of the Census.

The Poorest Households are Hard Pressed to Meet Basic Needs

Nearly 38 percent of American households with the lowest incomes (the poorest 20% of households) had difficulty meeting at least one basic need in 1995. Twenty-three percent of the poorest households had difficulty meeting two or more basic needs.

Households with Children Have Trouble Meeting Their Basic Needs

According to the same survey, nearly 29 percent of households with children under age 9 have trouble meeting one basic need during the year. Sixteen percent of these households have difficulty meeting two or more basic needs during the year. A household's ability to meet basic needs get only marginally better if they have older children. Twenty-eight percent of households with children ages 10-17 have difficulty meeting at least one basic need during the year, while 16.3 percent have trouble meeting two or more basic needs.

Most Households Think Help Will Be There When They Need It

Most households expect help to be there when they have difficulty meeting a basic need.

Over three-quarters of households (77.3%) expect help from some source (i.e., family, friends, others in the community, or government agencies) to be available to them when they have trouble meeting a basic need.

Households Often Don't Receive Help When They Need It

Despite their expectation that help will be there if they have a financial emergency, many families discover too late that it may not be available when they need it. In 1995, only 17.2 percent of all households reported receiving help from at least one source when they had trouble meeting a basic need. Only 6.1 percent received help from family, while 4.9 percent received help from a government agency.

Despite the public perception that poor families are able to access help from governmental agencies or private agencies, the reality is that many low-income families don't receive assistance when they have trouble meeting a basic need. Only 1 in 4 (26%) of America's poorest households receive assistance when they have trouble meeting a basic need. Even households with children don't always receive assistance when they need it. Only 19 percent of households with children receive help when they experience trouble meeting a basic need.

Received Help When Having Difficulty Meeting a Basic Need

	Help From at Least 1 Source	Family as Source	Friends as Source	Community as Source	Government as Source
TOTAL	17.2	6.1	2.4	1.6	4.9
Income Group					
Poorest 20%	26.0	9.1	2.9	2.6	8.7
Second 20%	14.6	4.8	3.4	1.2	4.0
Middle 20%	9.7	4.3	0.9	0.5	1.2
Fourth 20%	4.2	2.1	1.4	0.0	0.2
Richest 20%	13.5	3.0	1.8	4.3	1.2
Age					
0-9 years	19.3	5.5	2.3	2.0	6.6
10-17 years	19.1	5.3	2.9	1.9	6.8
18-29 years	18.1	8.1	3.6	1.0	3.3
30-39 years	16.5	6.1	1.6	1.6	4.6
40-49 years	14.0	6.0	1.9	1.3	3.6
50-59 years	13.0	4.8	1.7	2.6	1.9
60-69 years	17.0	6.0	2.8	1.8	6.1
70 +	15.1	6.1	2.0	1.2	3.5

Source: Bauman, Kurt J. (1999). *Extended Measures of Well-Being: Meeting Basic Needs*. Report #P70-67. June. Washington, D.C.: U.S. Bureau of the Census.

WHAT'S THE IMPACT OF SAFETY NET PROGRAMS ON CHILD POVERTY?

Although government programs can't always meet the needs of families having difficulty meeting basic needs, they nonetheless provide an important safety net for families with children living in poverty. A recent study by the Center on Budget and Policy Priorities found that safety net programs (including Social Security, unemployment compensation, cash assistance, Food Stamps, the federal Earned Income Tax Credit, housing and other forms of non-cash assistance) continue to have a dramatic impact on the well-being of children.[28] In 1998, the safety net of government assistance programs lifted out of poverty 33 percent of the children nationwide who were poor, before counting government benefits and taxes.

% of Children Who Were Lifted Out of Poverty

Programs	1993	1995	1998
Social insurance (Social Security, unemployment, Worker's Comp)	8.3	8.1	8.0
Cash assistance based on income (TANF)	5.3	6.2	4.3
Food Stamps	5.1	6.2	4.9
Housing and other non-cash benefits	5.1	6.6	6.3
Taxes and EITC	0.1	6.0	9.9
TOTAL (all government benefits and taxes)	23.9	33.1	33.4

Source: Adapted from "Recent Changes in the Impact of the Safety Net on Child Poverty," Center on Budget and Policy Priorities, December 1999.

The safety net also continues to reduce the total child poverty gap. This gap is the total dollar amount by which the family incomes of all children who are poor fall below the poverty line. Put another way, it is the amount of money needed to lift all poor children out of poverty (it does not include the money needed to lift other family members out of poverty). In 1998, the total child poverty gap before government benefits and taxes nationwide was $38.2 billion. After counting government benefits and taxes, the gap was $16.4 billion, a reduction of 57 percent.

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ldren's health and well-
moral imperative, not a
— Dr. Betty Lowe

Although safety net programs continue to lift the same proportion of children out of poverty as during the mid-1990s (about 33%), they are less effective in reducing the depth of child poverty and helping the poorest of the poor. Safety net programs reduced only 57 percent of the child poverty gap in 1998, compared to a reduction of 63 percent during 1995. Even after counting for government benefits, children who remained poor became poorer during 1998. In 1995, the average poor child was $1,471 below the poverty line. By 1998, the average poor child was $1,604 below the poverty line. These figures represent the largest poverty gap per poor child recorded since the data were first collected in 1979.

Why is the safety net less effective in reducing child poverty for the poorest of the poor? The safety net program that now has the biggest impact on child poverty – the Earned Income Tax Credit – targets low-income working families. These families, while often poor, have higher incomes than poor families who don't work. While the EITC has been expanded in recent years, it has not helped the poorest of the poor — those families who, for whatever reason, are unable to work.

In contrast, program that help the poorest of the poor, such as cash assistance and Food Stamps, are having less of an impact than they once did. The reason? State actions during the 1990s have made it harder to access these programs. Despite their reduced effectiveness, safety net programs, in conjunction with efforts to maintain a strong economy, will remain an important part of the nation's effort to reduce child poverty.

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Food Security

The importance of safety net programs is demonstrated by recent data about the food security of the nation's households. Food insecurity occurs when families do not have access to enough food within a given month to fully meet their basic needs. Even with the good economy during the mid- to late- 1990s, almost 1 in 5 of the nation's children (19.7%) were food insecure in 1998.[29] Of those children living in households that were food insecure, most (75.6%) do not experience hunger. However, about 1 in 4 (24.4%) of the children who are food insecure do experience hunger.

Food Security for Children

	1995 (%)	1998 (%)
Food Secure	58,048 (82.6)	57,252 (80.3)
Food Insecure	12,231 (17.4)	14,044 (19.7)
Without Hunger	8,131 (11.6)	10,653 (14.9)
With Hunger	4,100 (5.8)	3,391 (4.8)

Source: Estimates based on the 1995 and 1998 Food Security Supplement to the Current Population Survey, prepared by Mathematica Policy Research Inc. and the U.S. Department of Agriculture Economic Research Service.

NEW TRENDS IN PUBLIC POLICY

In recent years, major changes have been made in public policy serving the nation's poor families. Although traditional safety net programs have declined in their ability to protect the poorest of the poor, expansions have been made in other federal programs that serve the working poor. This shift has occurred, at least in part, because of the growing recognition that even full-time minimum- or low-wage jobs don't cover all of the daily living expenses of working families.

At the federal level, the recent passage of the Children's Health Insurance Program (CHIP) to provide health care coverage for uninsured children, expansions in the federal EITC, new regulations that make it easier for working poor families to receive Food Stamps or be served by the federal TANF program, and recent efforts (albeit unsuccessful) to expand child care coverage are all indications of a growing public support for a safety net that protects children in working poor families.

Similarly, state officials on all sides of the political spectrum have begun to advocate for programs that serve the working poor. In Arkansas, the establishment of ARKids First and the recent decision to allow local TEA coalitions to serve low-income working populations up to 185 percent of poverty are but two examples of this trend. During the 1999 legislative session, the Arkansas General Assembly voted to allow greater access to education and training under the TEA program. This reflects the Legislature's recognition that while work and personal responsibility are an integral part of the state's welfare reform effort, they must be accompanied by greater access to education and training so that low-income families can acquire the skills to obtain better jobs paying wages that allow them to meet all of the family's basic daily living needs.

The Legislature also created an Individual Development Account (IDA) program to encourage families to build their family financial assets, through greater resource savings matched at a 3 to 1 rate by the state, so that families can save for home ownership, start a small business, or save for their children's education.

Despite these developments, more work needs to be done to support poor families with children until they are able to earn an income adequate to meet all of their family's basic need. Such policies would include, at a minimum:

- ★ health care coverage for uninsured parents;
- ★ greater access to subsidized child care for all low-income working families (including both TEA and non-TEA families); and
- ★ tax relief for low-income families (such as removing the state sales tax on food or a state EITC for the working families).

Finally, and perhaps most importantly, we must recognize that no matter how good the economy is or how low the unemployment rate, there will always be families with children who, for whatever reason, will be unable to work. In such cases, we must remember that poverty doesn't discriminate. A poor child is a poor child regardless of whether their parents are working. We must not punish the child who is hungry, the child who can't afford health care, the child who doesn't have adequate clothing or shelter, or the child who doesn't have the resources they need to obtain a quality education just because their parents are not working.The economic well-being of all our children is a promise of a secure future for us all.

FOR MORE ON CHILD POVERTY

Arkansas Advocates for Children & Families
501/371-9678
www.aradvocates.org

Annie E. Casey Foundation
410/547-6600
www.aecf.org

National Center for Children in Poverty
202/304-7100
www.nccp.org

Center on Budget and Policy Priorities
202/408-1080
www.cbpp.org

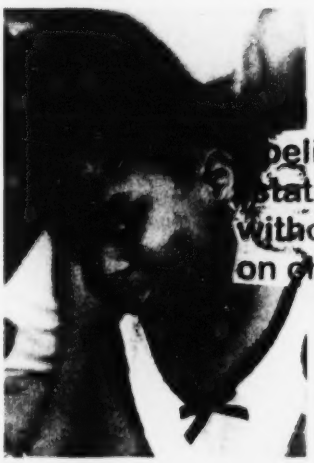
Children's Defense Fund
202/628-8787
www.childrensdefense.org

Joint Center for Poverty Research
847/491-4145
www.jcpr.org

Institute for Research on Poverty
608/262-6358
www.ssc.wisc.edu/irp

U.S. Census Bureau
www.census.gov

UALR Children's Research Center
501/569-8481
www.ualr.edu



"...believe no public policy in this state should ever be attempted without first examining its impact on children and families."

— Amy L. Rossi

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APPENDIX

Child Poverty in Arkansas Under 18

	1989 #	1989 %	1993 #	1993 %	1995 #	1995 %	% Change 89-95
ARKANSAS	1,451	23.7	1,560	26.4	1,732	29.4	19.4
ASHLEY	1,744	25.1	1,997	28.2	2,189	30.9	25.5
BAXTER	1,121	18.2	1,694	24.8	1,891	26.2	68.7
BENTON	3,034	12.4	4,051	13.8	4,526	13.9	49.2
BOONE	1,432	19.8	1,444	18.6	1,665	20.6	16.3
BRADLEY	892	28.9	972	31.4	1,024	33.0	14.8
CALHOUN	427	26.8	333	21.0	360	22.8	-15.7
CARROLL	825	18.2	1,042	19.7	1,224	21.9	48.4
CHICOT	2,981	56.9	2,484	49.0	2,597	52.6	-12.9
CLARK	1,053	21.8	1,306	25.9	1,439	28.6	36.7
CLAY	1,127	27.3	1,006	24.5	1,101	26.9	-2.3
CLEBURNE	894	21.1	1,104	23.4	1,249	25.2	39.7
CLEVELAND	434	20.3	463	21.5	534	23.8	23.0
COLUMBIA	1,919	28.0	2,103	30.9	2,272	33.7	18.4
CONWAY	1,316	25.1	1,284	24.2	1,393	25.6	5.9
CRAIGHEAD	3,340	19.4	4,165	22.4	4,563	23.5	36.6
CRAWFORD	2,412	19.1	3,283	23.6	3,441	23.3	42.7
CRITTENDEN	6,097	37.6	6,039	37.0	6,261	38.5	2.7
CROSS	1,871	31.6	1,893	32.2	2,100	34.9	12.2
DALLAS	593	22.9	707	27.7	816	32.4	37.6
DESHA	2,193	40.9	2,030	40.2	2,174	43.8	-0.9
DREW	1,027	21.1	1,309	26.6	1,481	29.5	44.2
FAULKNER	1,818	11.8	2,663	14.7	2,774	14.1	52.6
FRANKLIN	793	20.1	838	20.0	1,075	24.2	35.6
FULTON	848	35.2	817	33.2	961	37.6	13.3
GARLAND	3,702	23.2	4,737	27.2	5,211	28.7	40.8
GRANT	542	14.2	672	16.5	730	17.2	34.7
GREENE	1,737	21.5	1,926	22.2	2,132	23.6	22.7
HEMPSTEAD	1,622	26.8	1,834	29.7	1,946	31.3	20.0
HOT SPRING	1,721	25.0	1,760	24.3	1,863	24.7	8.3
HOWARD	601	16.0	840	21.9	931	23.7	54.9
INDEPENDENCE	1,487	17.9	1,796	20.8	2,025	23.0	36.2
IZARD	607	24.5	767	28.9	928	33.5	52.9
JACKSON	1,775	35.4	1,611	32.7	1,697	35.4	-4.4
JEFFERSON	7,579	31.3	8,679	36.2	8,941	37.8	18.0
JOHNSON	933	20.7	1,188	24.1	1,438	27.4	54.1
LAFAYETTE	1,252	45.4	1,028	39.1	1,228	46.7	-1.9
LAWRENCE	1,192	27.1	1,308	30.4	1,436	33.0	20.5
LEE	3,805	85.5	2,465	58.3	2,389	57.9	-37.2
LINCOLN	1,137	34.9	1,047	30.9	1,191	34.3	4.7

	1989 #	1989 %	1993 #	1993 %	1995 #	1995 %	% Change 89-95
LITTLE RIVER	853	21.5	950	24.6	1,027	26.9	20.4
LOGAN	1,291	23.7	1,377	24.4	1,557	27.1	20.6
LONOKE	2,006	17.0	2,488	18.7	2,510	17.4	25.1
MADISON	646	20.6	765	21.8	879	24.6	36.1
MARION	655	24.4	770	26.3	943	29.4	44.0
MILLER	3,200	28.6	3,534	31.2	3,861	33.6	20.7
MISSISSIPPI	6,265	34.4	5,796	35.5	6,176	37.6	-1.4
MONROE	1,656	48.1	1,364	42.2	1,529	48.3	-7.7
MONTGOMERY	783	42.3	616	31.9	658	32.9	-16.0
NEVADA	694	24.8	703	25.0	792	28.3	14.1
NEWTON	781	35.7	744	33.3	810	36.0	3.7
OUACHITA	1,872	22.2	2,306	28.8	2,624	33.5	40.2
PERRY	408	19.9	484	21.7	569	23.6	39.5
PHILLIPS	6,538	66.2	5,452	55.1	5,698	58.5	-12.8
PIKE	536	20.3	562	20.8	645	22.9	20.3
POINSETT	2,184	32.5	2,371	36.0	2,462	36.6	12.7
POLK	1,314	29.0	1,328	27.3	1,502	29.2	14.3
POPE	2,205	18.1	2,679	20.0	2,881	20.8	30.7
PRAIRIE	612	24.3	617	25.2	651	26.2	6.4
PULASKI	18,468	19.9	23,633	25.1	22,750	24.0	23.2
RANDOLPH	1,139	26.9	1,198	27.2	1,277	28.2	12.1
ST. FRANCIS	4,784	49.9	4,404	46.4	4,679	48.6	-2.2
SALINE	2,002	11.3	2,715	13.8	3,021	14.6	50.9
SCOTT	698	26.4	728	26.6	855	30.6	22.5
SEARCY	707	36.3	653	34.7	764	40.1	8.1
SEBASTIAN	4,181	15.9	5,779	21.0	6,050	21.3	44.7
SEVIER	718	19.9	966	24.9	1,075	26.9	49.7
SHARP	1,015	32.4	1,038	29.5	1,219	33.0	20.1
STONE	965	39.7	864	32.7	973	35.9	0.8
UNION	2,913	22.3	3,400	26.2	3,728	28.8	28.0
VAN BUREN	1,044	33.1	1,058	31.5	1,158	32.8	10.9
WASHINGTON	4,177	14.8	5,780	17.9	6,029	17.4	44.3
WHITE	2,691	19.4	3,418	22.4	3,872	24.0	43.9
WOODRUFF	1,276	44.3	1,125	41.3	1,293	47.8	1.3
YELL	927	20.6	1,032	21.6	1,162	23.5	25.4
STATE	**153,544**	**24.4**	**170,943**	**26.0**	**182,607**	**27.0**	**18.9**

Source: U.S. Census Bureau Small Area Income and Poverty Estimates Program.

ENDNOTES

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4. The official federal poverty guideines are available on the Internet at the Web site of the U.S. Department of Health and Human Services, http://aspe.hhs.gov/poverty/poverty.htm.

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14. For a discussion of the methodology used to compute these estimates, see Arloc Sherman. (1997). *Poverty Matters: The Cost of Child Poverty in America.* Washington, D.C.: Children's Defense Fund. Using the methodology developed by CDF, the 90 percent confidence interval around this estimate ($8,988 per child) ranges from a low of $4,840 to a high of $13,137 per child. The confidence interval around the estimate for the total lost lifetime wages per year of child poverty for the entire child poverty population ($1. 56 billion) ranges from $839 million to $2.28 billion.

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